

Standing Up To Wall Street Greed

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We have suffered the largest transfer of wealth from Main Street to Wall Street through both the housing crisis and the financial crisis. The [six](#) largest banks, Bank of America, JP Morgan Chase, Citigroup, Wells Fargo, Goldman Sachs, Morgan Stanley, and Metlife, Inc, now hold over two-thirds of our nation's assets.

The Dodd-Frank Wall Street reform bill did not go far enough in addressing the challenges facing our financial system. For example:

- It **did not** replace and strengthen Glass-Steagall, separating commercial banking from investing or speculation.
- It **did not** reform the credit rating agencies, which had a starring role in the misdirection of investors, including the fundamental business model of the credit rating agencies.
- It **did not** force every derivative to be traded openly and transparently on an exchange.
- It **did not** end too big too fail.
- It **did not** prevent Wall Street banks from replacing community banks.

- It **did not** encourage prudent lending.

• It **did not** strengthen support for those agencies finding and fighting fraud in our financial system.

- It **did not** properly address the housing crisis.

Almost two years ago, I fought against the Troubles Asset Relief Program and I did not vote for it the two times it was brought up in the U.S. House of Representatives.

The clever comedic tale that is being spun by Wall Street megabanks here in Washington is that they are paying back the \$700 billion our taxpayers bestowed on them in the fall of 2008, and so the cost to the American taxpayer will be low.

They want everyone to look at the TARP and not at the big picture, the real cost of the crisis, or the real losses thrust upon the American people. The American taxpayers need to be paid back for ALL the damage the Wall Street and its reckless banksters did to our economy.

Letter to U.S. Attorney General Holder on SEC's Charges Against Goldman Sachs

On April 16, 2010, the U.S. Securities and Exchange Commission (SEC) announced that it has charged Goldman Sachs with committing fraud in a mortgage deal. In particular, the SEC claims that Goldman Sachs created an instrument designed to fail. However infuriating this may be to learn of at this time, this case is neither unique nor isolated, and the evidence is mounting daily to this end.

It is critical that the integrity of our financial system is restored with the American public and the world, and one step on this path is prosecuting the criminals acting within our financial system. While the SEC lacks the authority to act beyond civil lawsuits, the U.S. Department of Justice (DOJ) has the power to file criminal actions against those who commit financial fraud.

Therefore, I led a letter with sixty-one bipartisan colleagues to U.S. Attorney General Eric Holder seeking assurance that the DOJ is closely looking at this case and similar cases to further investigate and prosecute the criminals involved in this and other financially fraudulent acts. Furthermore, the letter requests that if the DOJ is not currently looking into this particular case, that the U.S. Department of Justice immediately opens a case on this matter and investigates it.

In part, the letter states, “If both global and domestic confidence in the integrity of the U.S. financial system is to be regained, there must be confidence that criminal acts will be vigorously pursued and perpetrators punished.”

In addition, I delivered 140,000 citizen petitions to the U.S. Department of Justice in support of the letter I led seeking to investigate Goldman Sachs and others. The Department of Justice announced two days later that they were investigating this and other related matters.

Goldman settled the case with the SEC on July 15, 2010, for \$550 million and admitting no wrongdoing.

Legislation I Have Sponsored

H. Res 186: National Residential Mortgage Emergency Sense of the House of Representatives

This bill would express the sense of the House of Representatives that the States should enact a temporary moratorium on residential mortgage foreclosures.

H.R. 1123 the Produce the Note Act of 2009

This bill prohibits foreclosure proceedings unless the person commencing the foreclosure complies with specified prerequisites, including identification of the actual holder of the mortgage note and the originating mortgage lender, as well as other items.

In addition, this bill requires the person commencing the foreclosure to notify the mortgagor, in writing, not less than five days before any action is taken to commence foreclosure, a large amount of information including who one can speak to at the bank.

H.R. 1929, the Fannie Mae and Freddie Mac Investigative Commission Act

This bill establishes the Fannie Mae and Freddie Mac Investigative Commission to investigate and make recommendations to Congress regarding certain decisions of the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) that led to their financial instability and federal conservatorship.

H.R. 3452, Recoupment of Wall Street Bonus Act

Taxes the bonuses of Wall Street at 100% and directs the proceeds to HUD community development programs

H.R. 3858, Democratizing the Federal Reserve System Act

The bill cuts the time of service of a FR Board of Governor from 14 to 7 years. In addition, it requires that the person nominated for Chair of the FR Board of Governors (FRBG) has served at least 2 consecutive years on FRBG prior to nomination, and for Vice Chair, she or he must have served on the FRBG for one year.

Furthermore, it increases the post-service restriction of holding any office, position, or employment in any member bank from 2 to 4 years and limits the amount of time that vacancies can remain on the FRBG (currently 2 seats are vacant).

Lastly, it changes the Full Open Market Committee voting structure to include each of the 7 members of the FRBG and 6 of the 12 Federal Reserve Banks one year, and the other 6 in the following year. This democratizes the committee that sets interest rates.

H.R. 3995, the Financial Crisis of 2008 Criminal Investigation and Prosecution Act of 2009

This bill authorizes: the Director of the FBI to hire 1,000 additional agents and additional forensic accounting experts; the Attorney General to hire more Federal prosecutors; and the Chair of the Securities and Exchange Commission to hire more investigators, to catch and prosecute these white collar criminals and prevent their continued criminal activities.

H.R. 4254, Community Bank Preservation Act

This bill directs TARP repayments to the Deposit Insurance Fund of the Federal Deposit Insurance Corporation, to reduce the amount of any increase in premiums of smaller insured depository institutions and community banks whose prudent activities did not contribute to the financial crisis.

H.R. 4377, Return to Prudent Banking Act

To repeal certain provisions of the Gramm-Leach-Bliley Act and revive the separation between commercial banking and the securities business, in the manner provided in the Banking Act of 1933, the so-called 'Glass-Steagall Act'. The affiliations currently between certain entities would be required to be dissolved, this breaking larger institutions into smaller ones.

